

TRANSPORTATION BENEFIT DISTRICT MEETING MINUTES



May 5, 2014

Call to Order

Board Chair Vaughan called the meeting to order at 6:45 p.m.

Roll Call

Finance Director Sandy Langdon gave the roll call. The following staff and board members were in attendance.

Mayor: Jon Nehring

Chair: Jeff Vaughan

Board: Steve Muller, Kamille Norton, Jeff Seibert¹, Michael Stevens², Rob Toyer³ and Donna Wright

Absent: None

Also Present: Chief Administrative Officer Gloria Hirashima, Finance Director Sandy Langdon, City Attorney Grant Weed, Public Works Director Kevin Nielsen, and Recording Secretary Laurie Hugdahl.

Motion made by Board Member Muller, seconded by Board Member Wright, to approve the agenda. **Motion** passed unanimously (4-0).

Board Member Stevens arrived at 6:46 p.m.

¹ Board Member Seibert arrived at 6:54 p.m.

² Board Member Stevens arrived at 6:46 p.m.

³ Board Member Toyer arrived at 6:48 p.m.

Approval of Minutes

1. Approval of the March 17, 2014 Transportation Benefit District (TBD) Meeting Minutes

Motion made by Board Member Wright, seconded by Board Member Muller, to approve the minutes as presented.

Board Chair Vaughan noted that Mayor Nehring was noted as present at that meeting. He asked City Attorney Weed if the Mayor's attendance is required. City Attorney Weed stated that it is not.

Board Member Toyer arrived at 6:48 p.m.

Motion passed unanimously (6-0)

New Business

2. Interlocal Agreement with Washington Cities Insurance Authority (WCIA) and Marysville Transportation Benefit District

CAO Hirashima stated that this is an ILA to add the TBD to the WCIA coverage. Because it is a separate board they require a separate membership in the body.

Motion made by Board Member Wright, seconded by Board Member Muller, to approve the Interlocal Agreement with the WCIA and authorize the Board Chair to sign. **Motion** passed unanimously (6-0)

3. A Resolution of the Marysville Transportation Benefit District Approving a Material Change Policy.

City Attorney Weed reviewed this item. This resolution would help the Board to comply with state law requirement for TBDs to have a Material Change Policy. This is a preset way that to address any of the projects that the TBD has authorized and that get constructed. For example, now that the voters have approved the sales tax measure for funding there will be funds available and projects can begin to be directed. In the event any of those projects have an increase in cost over the course of the project of 20% or more there is a process that these changes are brought back for discussion so the public knows the TBD is being cost conscious. The Material Change Policy refers to material change in cost of the project, material change in the scope of a project, or material change to the schedule of the project.

Board Member Seibert arrived at 6:54 p.m.

Chair Vaughan referred to the section describing consultation between staff and the Chair and asked what would trigger the Chair bringing that before the Board. City Attorney Weed explained that it would be a judgment call by the Chair and the staff.

Chair Vaughan asked how the relationship between the Board and staff compares to the relationship between the Council and staff. City Attorney Weed replied that it really is the same relationship. The Board members are elected officials; they are the final decision makers and act in much the same role as a city council person would. In this case, for the Material Change Policy, it would be incumbent upon the staff to get the Chair up to speed on what is going on and then the Board Chair would exercise his discretion to make the decision to have a discussion of the full Board. Chair Vaughan asked if the Board is viewed as a legislative body. City Attorney Weed replied that they are. As with Council, staff is always available to answer questions and provide factual information as directed by the Board.

Motion made by Board Member Muller, seconded by Board Member Toyer, to adopt Resolution No. 2014-04. **Motion** passed unanimously (7-0).

Motion made by Board Member Toyer, seconded by Board Member Muller, to recess at 6:59 and reconvene after the Council Work Session. **Motion** passed unanimously (7-0).

The meeting reconvened from recess at 7:45 p.m.

4. A Resolution of the Marysville Transportation Benefit District Approving Certain Transportation Projects to Be Funded.

Director Nielsen explained that staff's recommendations for projects are to do one in the north and one in the south because there are already projects occurring in the middle. Their recommendation in the north is to pave 108th from 51st to 67th. In the south they are recommending paving 8th Street from Ash to State. He reviewed reasons why these projects were recommended over other projects.

Board Member Muller asked if all of these projects will go out to bid. Director Nielsen said they would. They will also be lumped together to get better prices. Board Member Muller asked about prioritization of these projects. Director Nielsen reviewed criteria for making the decision. He noted that there is a strategy in the Pavement Management Plan on which roads have the highest priority, but there are also other factors to be considered such as grant funding and related projects.

City Attorney Weed stated that the Resolution currently before the Board is an affirmation of what went before the voters. It lists all the projects that are available in the Transportation Plan. It isn't intended to list them in order of priority. Staff would be bringing projects forward, but the Board would determine the order of priority for the projects.

Board Chair Vaughan pointed out that the Resolution talks about the .02% sales tax amount. Director Langdon stated that it should be corrected to 0.2%.

Motion made by Board Member Muller, seconded by Board Member Seibert, to adopt Resolution No. 2014-03 as amended with the corrected sales tax amount. **Motion** passed unanimously (7-0).

5. Budget Discussion

Board Chair Vaughan asked how the TBD felt about the Council giving the TBD a loan via an Interlocal Agreement.

Board Member Muller asked about the amount. Director Nielsen replied that they were considering \$600,000. He noted that staff would be applying for grants too so they might do additional overlay which would affect the prioritization of projects. Finance Director Langdon recommended that at a minimum, staff would propose that at least the state pool interest rate would be applied to the loan. This is currently .16%. Discussion followed about details of the potential loan. Board Member Muller recommended putting signs up educating the public about projects being funded by the TBD funds. Director Nielsen reported that staff is already working on that.

City Attorney Weed explained that if a loan agreement was to be approved it would have to be approved by both the Board and the Council. CAO Hirashima suggested that the Board could authorize the Chair to sign the ILA to establish a loan from the Council.

Board Member Seibert spoke in support of this and getting started with the projects as quickly as possible. He thinks the .16% interest is well worth it.

Mayor Nehring concurred with the loan recommendation. He pointed out that with the .16% the City would actually be saving money when inflation was considered. He spoke in support of the recommended projects.

Grant Weed stated that the action would be to authorize the Chair to enter into an Interlocal Agreement to request this line of credit from the City Council as part of the budget discussion. It would still need to be brought back to the City Council.

Motion made by Board Member Seibert, seconded by Board Member Stevens, that the TBD request a line of credit from the City and authorize the Board Chair to execute an Interlocal Agreement with the City of Marysville for a loan to the TBD. **Motion** passed unanimously (7-0).

It was noted that the Interlocal Agreement could be added to the next Council agenda.

There was consensus to hold a special TBD meeting in order to hold a public hearing on May 27 regarding the budget resolution.

Motion made by Board Member Seibert, seconded by Board Member Muller to adjourn at 8:10 p.m. **Motion** passed unanimously (7-0).

Adjournment

Seeing no further business Chair Vaughan adjourned the meeting at 8:10 p.m.

Approved this 27 day of May, 2014.


Chairman
Jeff Vaughan


Secretary/Treasurer
Sandy Langdon